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Uzbekistan, Republic of

Oilseeds and Products

Annual

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Report Highlights:

Uzbekistan's MY 2000/01 total oilseeds production is forecast at 2.56 million metric tons (MMT). MY2000/01 oilseeds imports are forecast at 100,000 metric tons of U.S. soybeans.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Table of Contents

OILSEEDS	1
PRODUCTION	1
Table 1: Total Oilseeds PS&D	2
CONSUMPTION	2
TRADE	3
Table 2: Cottonseed PS&D	4
Table 3: Soybean PS&D	5
OIL MEALS	6
PRODUCTION	6
Table 4: Total Oilmeals PS&D	6
CONSUMPTION	7
TRADE	7
Table 5: Cottonseed Meal PS&D	8
Table 6: Soybean Meal PS&D	9
OILS	10
PRODUCTION	10
Table 7: Total Oils PS&D	10
CONSUMPTION	11
TRADE	11
Table 8: Cottonseed Oil PS&D	12
Table 9: Soybean Oil PS&D	13

OILSEEDS

PRODUCTION

Uzbekistan is a major cotton producer and the world's second largest cotton exporter. Cotton is the dominant oilseed. Total MY 1999/00 oilseed production increased slightly from the previous year due to an increase in cotton production. MY 2000/01 oilseed production is forecast at 2.2 million metric tons (MMT)—or the same as MY 1999/2000. The official state target for seed cotton production was reduced from 4.0 MMT to 3.9 MMT this year in order to expand wheat production.

The Government of Uzbekistan (GOU) supports cotton production by providing subsidized fertilizers and seed and free irrigation. In return, the GOU maintains a 30-percent state order for cotton but in actuality procures about 70 percent of the crop by setting unrealistically high quotas. The state's procurement price remains well below world price levels. The combination of inadequate incentives and inadequate and poor quality inputs has resulted in declining production. To compensate for this decline, the government encourages the production of sunflowers and soybeans. Sunflowers, however, are grown on a very limited scale and initial trials with soybeans in the Fergana Valley reportedly were less than successful.

Table 1: Total Oilseeds Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Oilseeds, Total					(1000 HA)(1000 MT)
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		08/1998		08/1999		08/2000
Area Planted (COTTON)	1500	1500	1500	1500	0	1425
Area Harvested(COTTON)	1485	1485	1500	1500	0	1425
Beginning Stocks	0	0	0	0	0	0
Production	2000	2000	2300	2200	0	2200
MY Imports	120	120	160	50	0	100
MY Imp. from U.S.	90	90	33	33	0	100
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2120	2120	2460	2250	0	2300
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	1770	1770	2060	1875	0	1925
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	350	350	400	375	0	375
TOTAL Dom. Consumption	2120	2120	2460	2250	0	2300
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2120	2120	2460	2250	0	2300
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

CONSUMPTION

Uzbekistan's present crushing capacity is estimated to be well below the 3.5 MMT of installed capacity reported during the Soviet times. Over the last several years effective capacity has declined to about 2.4 MMT due to the lack of spare parts and maintenance. Experts estimate the industry currently operates at less than 70 percent of capacity due mainly to the lack of oilseeds.

Uzbekistan's crushing industry is owned and operated by the joint-stock association, UZMASLOJIRTABAKPROM (Uzbekistan's Oils, Fats and Tobacco Industry), which consists of the former state crushing, extraction and refining facilities. Although the state order is 30 percent, in reality there is little alternative for farmers but to sell to joint-stock gins, which in turn transfer the cottonseed to

UZMASLOJIRTABAKPROM via government accounts.

TRADE

Uzbekistan does not import or export cottonseed. To supplement vegetable oil production as well as to provide protein for its livestock and poultry industries, Uzbekistan imported about 200,000 MT of soybeans annually from South American suppliers several years ago. However, due to growing quality concerns Uzbekistan switched to U.S. soybeans in MY 1998/99 and imported 90,000 MT using GSM-102 credit guarantees. Uzbekistan also imported 33,000 MT of U.S. soybeans in MY 1999/2000 under the P.L. 480, Title I program. Recent imports have lagged below requirements due to Uzbekistan's reduced foreign exchange earnings (from cotton and gold). Imports are forecast to increase in MY 2000/01 in response to the current shortage and especially if Uzbekistan's foreign exchange reserves improve.

Uzbekistan's annual soybean import requirement is about 200,000 MT. Given declining cotton production, imported oilseeds provide an important means of providing oilseeds to Uzbekistan's underutilized crushing industry as well as saving foreign exchange by capturing the value-added of oil and meal processing. Uzbekistan's import demand could increase significantly if the industry were modernized and the government were to enact policies to encourage expansion of livestock, dairy and poultry production. There is no duty on oilseed imports.

Table 2: Cottonseed Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Oilseed, Cottonseed				(1000 HA)(1000 MT)(RATIO)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		08/1998		08/1999		08/2000
Area Planted (COTTON)	1500	1500	1500	1500	0	1425
Area Harvested(COTTON)	1485	1485	1500	1500	0	1425
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	2000	2000	2300	2200	0	2200
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2000	2000	2300	2200	0	2200
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	1650	1650	1900	1825	0	1825
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	350	350	400	375	0	375
TOTAL Dom. Consumption	2000	2000	2300	2200	0	2200
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2000	2000	2300	2200	0	2200
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 3: Soybean Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	120	120	160	50	0	100
MY Imp. from U.S.	90	90	33	33	0	100
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	120	120	160	50	0	100
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	120	120	160	50	0	100
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	120	120	160	50	0	100
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	120	120	160	50	0	100
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

OIL MEALS

PRODUCTION:

MY1999/00 meal production increased slightly from the previous year due to better cotton production. MY 2000/01 total meal production also is forecast to increase due to increased soybean imports. In recent years, soybean meal production has increased to augment declining cottonseed meal production.

Table 4: Total Oilmeals Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Meals, Total				(1000 MT)	(PERCENT)
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	1770	1770	2060	1875	0	1925
Extr. Rate, 999.9999	NA	NA	NA	NA	NA	NA
Beginning Stocks	0	0	0	0	0	0
Production	827	827	961	840	0	880
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	827	827	961	840	0	880
MY Exports	8	8	0	5	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	819	819	961	835	0	880
TOTAL Dom. Consumption	819	819	961	835	0	880
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	827	827	961	840	0	880
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

CONSUMPTION

Over the past several years, demand for protein meal, and especially soybean meal, has increased due to increasing demand from both the dairy and poultry industries. Because supplies are erratic and depend on bulk imports, soybean meal sometimes is in short supply, while at other times it is in surplus and may be exported. The quality of soybean meal is variable but improving, while the quality of compound feed is reported to be poor. The need to provide a regular supply of high-quality protein feed is one of the critical issues currently facing Uzbek agriculture.

Cottonseed meal, cakes and hulls are supplied by the extraction companies to other state agencies, mainly to Uzkhleboprodukt and Uzkhimprom. Uzkhleboprodukt combines by-products from flour milling with cottonseed meal, cakes and hulls to produce a compound feed for sheep and cattle. Uzkhimprom uses about 10 percent of hull production to produce alcohol.

The current price of locally produced cottonseed meal is soums 3,050 per MT, depending on protein content (\$1= soums 235 at the official rate and soums 700 at the unofficial rate). Soybean meal produced from imported soybeans currently sells for about USD 140 per MT (or soums 98,000 at the unofficial rate).

TRADE

Uzbekistan does not import protein meal. Uzbekistan exports small amounts of cottonseed meal, mainly to Russia, the Baltics, Kazakhstan, Ukraine and Azerbaijan. Uzbekistan also occasionally exports small amounts of soybean meal, mainly to Kazakhstan, due to the boom and bust nature of soybean supplies. Sources do not expect Uzbekistan to export soybean meal in MY 2000/01 due to the inability to import significant amounts of soybeans in MY 1999/00.

There is no duty on meal imports and the tax on meal exports was eliminated in November 1997. According to the same sources, cottonseed meal sells for USD 35-40 per MT (FOB), while soybean meal sells for about USD 144 per MT (FOB).

Table 5: Cottonseed Meal Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Meal, Cottonseed				(1000 MT)(PERC ENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	1650	1650	1900	1825	0	1825
Extr. Rate, 999.9999	0.443636	0.443636	0.44	0.438356	ERR	0.438356
Beginning Stocks	0	0	0	0	0	0
Production	732	732	836	800	0	800
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	732	732	836	800	0	800
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	732	732	836	800	0	800
TOTAL Dom. Consumption	732	732	836	800	0	800
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	732	732	836	800	0	800
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 6: Soybean Meal Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Meal, Soybean				(1000 MT)(PERC ENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	120	120	160	50	0	100
Extr. Rate, 999.9999	0.791667	0.791667	0.78125	0.8	ERR	0.8
Beginning Stocks	0	0	0	0	0	0
Production	95	95	125	40	0	80
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	95	95	125	40	0	80
MY Exports	8	8	0	5	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	87	87	125	35	0	80
TOTAL Dom. Consumption	87	87	125	35	0	80
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	95	95	125	40	0	80
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

OILS**PRODUCTION**

Cottonseed oil is the main vegetable oil produced in Uzbekistan. Soybean oil is a minor oil and is produced solely from imported soybeans. Total oil production is forecast to increase in MY 2000/01 assuming normal cotton production and greater soybean imports. Both extractors and refiners operate under the joint-stock association UZMASLOJIRTABAKPROM. Most extractors and refiners use fairly modern imported equipment. The quality of locally-produced oil, especially cottonseed oil, remains poor due to the lack of maintenance as well as good management. Most plants reportedly use benzene, rather than hexane extraction. The GOU plans to modernize the industry by attracting foreign investment as a conduit for new management methods and technology.

Table 7: Total Oils Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Oils, Total			(1000 MT)(PERCENT)		
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	1770	1770	2060	1875	0	1925
Extr. Rate, 999.9999	NA	NA	NA	NA	NA	NA
Beginning Stocks	0	0	0	0	0	0
Production	245	245	292	258	0	266
MY Imports	60	60	25	55	0	50
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	305	305	317	313	0	316
MY Exports	0	0	0	7	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	15	15	20	20	0	20
Food Use Dom. Consump.	290	290	297	286	0	291
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	305	305	317	306	0	311
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	305	305	317	313	0	316
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0

CONSUMPTION

Cottonseed oil is a staple of the Uzbek diet. Per capita oil consumption is estimated at about 13.5 kilograms per year. Until recently, cottonseed oil was the preferred oil for most Uzbek consumers. However over the last 5-6 years, imported sunflowerseed oil has become more popular because cottonseed oil is not always available in food shops and secondly, most consumers prefer sunflowerseed oil because of its better flavor. Cottonseed oil retails for about soums 400 per liter and imported sunoil sells for soum 600 per liter. Soyoil remains a minor oil.

TRADE

Uzbekistan relies on imports for about 20 percent of its vegetable oil consumption requirements. Sources expect import demand and expenditures will continue to increase unless the government moves to modernize the industry and to capture the value-added of processing imported oilseeds. Trade sources expect MY 2000/01 oil imports will be about 50,000 MT. Although official trade statistics are not available, sources indicate most oil is imported refined and in consumer-ready packaging. The leading suppliers of vegetable oils remain to be European Union and Turkey. Sunflower oil remains by far the most popular imported oil, followed by soybean oil, corn and olive oils.

Uzbekistan exports about 5,000 MT of un-deodorized cottonseed oil mainly to the Commonwealth of Independent States (CIS). In MY1999/00 Uzbekistan exported about 7,000 MT of cottonseed oil to Kazakhstan, Tajikistan, and Kyrgyzstan. MY2000/01 cottonseed oil exports are again forecast at 5,000 MT.

Table 8: Cottonseed Oil Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Oil, Cottonseed				(1000 MT)(PERC ENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	1650	1650	1900	1825	0	1825
Extr. Rate, 999.9999	0.136364	0.136364	0.14	0.136986	ERR	0.136986
Beginning Stocks	0	0	0	0	0	0
Production	225	225	266	250	0	250
MY Imports	10	10	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	235	235	266	250	0	250
MY Exports	0	0	0	7	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	15	15	20	20	0	20
Food Use Dom. Consump.	220	220	246	223	0	225
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	235	235	266	243	0	245
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	235	235	266	250	0	250
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 9: Soybean Oil Production, Supply and Demand

PSD Table						
Country	Uzbekistan, Republic of					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	120	120	160	50	0	100
Extr. Rate, 999.9999	0.166667	0.166667	0.1625	0.16	ERR	0.16
Beginning Stocks	0	0	0	0	0	0
Production	20	20	26	8	0	16
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	20	20	26	8	0	16
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	20	20	26	8	0	16
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	20	20	26	8	0	16
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	20	20	26	8	0	16
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0